



United States Department of the Interior

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IN REPLY REFER TO:

S72 (WCP 2623)

November 18, 2004

Memorandum

To: Associate Directors of Administration,
Harpers Ferry and Denver Service Centers Administration
Attention: Contracting, Agreement and Procurement Personnel

From: Acting Manager, Washington Contracting and Procurement

Subject: Updates to the Agreement Handbook
Agreement Handbook Memorandum Number 1

This memorandum is the first in a series that will transmit changes to the NPS Agreements Handbook, Version 6, dated October 1, 2002.

All changes will be dated on the top of each changed page, until all changes are complete. At that time, the Handbook will be reissued under a new version number and date. Subsequent changes (Memoranda) will be based on the Handbook as changed by the last Memorandum. Changes will immediately be incorporated in the Handbook posted on the website.

This Memorandum Number 1 changes Chapter 4 and Appendices C and E of the Handbook, as follows:

1. Chapter 4, Page 51, Paragraph 4.5 **Payment**

A. **Discussion:**

The current guidance in the Handbook states that an SF-270, "Request for Advance or Reimbursement," and the SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," are used for requesting payment **only** when Agreements have not been obligated in Procurement Desktop. This is incorrect. All Agreements require the use of these forms.

Deleted:

The phrase "*For agreements that have not been obligated in Procurement Desktop,*" that modifies the need to submit these forms have been deleted.

B. Discussion:

The current guidance in the Handbook requires the effective and completion dates of the Agreement to be included on the SF-270, "Request for Advance or Reimbursement." This is not required by OMB guidance. Only the period for which the advance is requested is required by Block 8 of the form.

Deleted:

The sentence *"In addition, the effective and completion dates of the agreement must be included."*

2. Chapter 4, Pages 52-53

Discussion:

The current guidance in the Handbook pertaining to advance payments is more stringent than OMB guidelines. It states that subsequent advance payments cannot be authorized until an expenditure report is received which accounts for the prior advance. This has caused some cash flow issues for cooperators.

The OMB guidelines allow cooperators to carry over funds if certain criteria are met and there is a specific clause in the agreement which sets the parameters and authorizes this.

Deleted:

When using advance payments, it is critical that the key official closely monitor the progress made by the recipient to avoid paying too far in advance of the progress made on the project. An initial advance payment may be for "start-up costs," and the recipient's application should detail the purposes of these costs. Subsequent advance payments cannot be authorized until an expenditure report is received which accounts for the advance. The key official must then certify, on the expenditure report, that the expenses represent levels of effort that are measurable and should match the progress made during the billing period.

When using advance payments, your agreement must require that an expenditure report be submitted to the contracting officer, and a copy to the key official who is responsible for the management of the agreement. The expenditure report must detail how the advance payment was spent in the same level of detail as the recipient's initial proposal. The agreement should be very specific about who, where, and when these reports are to be submitted. The key official must review the expenditure report and make a recommendation to the contracting officer regarding its acceptability or unacceptability. The contracting officer will make the final approval or disapproval and, if acceptable, transmit it to the Accounting Operations Center so that the advance can be cleared in the financial records. Under no circumstances should a new advance be approved until an

expenditure report clears the preceding advance.

Added:

Advance payments must be reported in accordance with OMB Circulars A-102 and A-110. See Section 52(a)(2), OMB Circular A-110 and the Common Rule, Financial Reporting (43 CFR 12.81). Advance payments and the relevant reporting requirements, including permission to carry over funds indicating the number of days cash on hand may be held, must be specifically set forth in the body of the cooperative agreement. The agreement must require that an SF-272, Cash Transactions Report, be submitted to the contracting officer, with a copy to the key official responsible for the management of the agreement. Any funds that will be carried over from one advance period to another must be documented on the SF-272 in accordance with the OMB guidance. Every advance payment must be substantiated with a Cash Transactions Report before subsequent advance payments will be made by the Accounting Operations Center.

When using advance payments, it is critical that the key official closely monitor the progress made by the recipient to avoid paying too far in advance of the progress made on the project. The key official must certify on the SF-272, Cash Transactions Report, that expenses represent levels of effort that are measurable and match the progress made during the billing period. The key official must review the expenditure report and make a recommendation to the contracting office regarding its acceptability or unacceptability. The contracting officer will make the final approval or disapproval and, if acceptable, transmit it to the Accounting Operations Center so that the advance can be cleared in the financial records. The funding is not removed from the obligation record in FFS until the Cash Transaction Report is received. Under no circumstance should a new advance be approved until an expenditure report clears the preceding advance.

3. Chapter 4, Page 53

Discussion:

There is no current discussion in the Handbook regarding advance payments for individual Task Agreements. In the absence of guidance, there was no advance payment distinction that could be made to make more than one advance under an agreement until an expenditure report was received. This was not the intent if the agreement was structured to allow for multiple projects to be negotiated under a broad scope. This caused valid advances under individual Task Agreements to be withheld.

Added:

Task Agreements issued under the terms and conditions of Agreements which are broad in scope and provide for the accomplishment of various and distinct projects stand on their own in reference to any advance payments issued.

4. Chapter 4, Page 51

Discussion:

Website address has changed.

Deleted:

<http://www.nps.gov/hfc/support/forms.htm>

Added:

<http://www.nps.gov/hfc/acquisition/pdf/sf-3881.pdf>

5. Chapter 4, Page 56

Discussion:

Number 1 has been deleted. The “Federal Assistance Award Data System” (FAADS), DI-1961 is obsolete. The remaining nine forms have been renumbered.

6. Chapter 4, Page 70, Attachment 4.1, Page 83, Attachment 4.2, Page 87, Attachment 4.3, Page 96, Attachment 4.4.

Discussion:

“IN WITNESS HEREOF” has been changed to “IN WITNESS WHEREOF” in all sample agreements.

7. Chapter 4, Page 97, Attachment 4.5, Sample Cooperative Agreement Modification has been revised. The new sample is two (2) pages, Pages 97 and 98.
8. Chapter 4, Pages 120 through 123, Attachments 4.13 and 4.14.

Discussion:

Page 120, Attachment 4.13, sample DI-1961, Federal Assistance Award Data System Reporting Form, has been deleted. This form is obsolete.

Pages 121 through 123, Attachment 4.14, Instructions for Completing the DI-1961, have been deleted. Instructions are obsolete.

9. Chapter 4, Page 124, Attachment 4.15.

Discussion:

DI-1961, one page has been deleted. This form is obsolete. This is now on Page 121 and becomes Attachment 4.13.

10. Chapter 4, Page 125, Attachment 4.16, Agreement Information Sheet.

Discussion:

This is now Page 122, Attachment 4.14, Agreement Information Sheet.

11. Chapter 4, Page 126, Attachment 4.17, Pseudo Codes Used by the National Park Service.

Discussion:

This is now Page 123, Attachment 4.15, Pseudo Codes Used by the National Park Service.

Pseudo Codes have been revised to reflect current usage. It should be noted however that by the end of this year, these are to be phased out and replaced by CFDA numbers.

Deleted:

Previous list in its entirety.

Added:

New list in its entirety.

12. Appendix C, Pages 291-295, entitled “Entering Vendor Information in Procurement Desktop for Interagency Acquisition Agreements” has been revised to include the steps for registration of bureau information in the Business Partner Network (BPN). The new Appendix C is entitled “Entering Federal Agency Information at Business Partner Network and in Procurement Desktop for Interagency Acquisition Agreements.” The new Appendix C is nine (9) pages, Pages 301-309.
13. Appendix E, Pages 296-297, entitled “List of Relevant Website Addresses” has been revised and updated. The new Appendix E is three (3) pages, Pages 311, 312, and 313.

Questions regarding this memorandum can be addressed to Bruce Feirtag of this office, at 303-987-6767.

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Washington Contracting and Procurement